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**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION****FINANCIAL STATEMENTS AND SCHEDULES****FOR THE YEARS ENDED JUNE 30, 2009 AND 2008****WITH INDEPENDENT AUDITORS' REPORT THEREON**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**FINANCIAL STATEMENTS AND SCHEDULES**

**FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

**WITH INDEPENDENT AUDITORS' REPORT THEREON**

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

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**Independent Auditors' Report**

The Board of Commissioners  
New Orleans City Park Improvement Association:

We have audited the statements of net assets of New Orleans City Park Improvement Association (the Park) as of June 30, 2009 and 2008, and the related statements of changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Park's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans City Park Improvement Association as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 12 and the Schedule of Funding Progress for Louisiana's State OPEB Plan on page 28 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009 on our consideration of the New Orleans City Park Improvement Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedules of Operating Expenses on page 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Robert H. Thwaites, Metairie*

New Orleans, Louisiana  
December 14, 2009

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **Management's Discussion and Analysis**

**June 30, 2009 and 2008**

This section of the New Orleans City Park Improvement Association (the Park) financial report presents a discussion and analysis of the Park's financial performance during the year ended June 30, 2009 and 2008. Please read it in conjunction with the Park's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

#### **2009 Highlights**

The Park's net assets represent approximately 89% of total assets of approximately \$38 million at June 30, 2009. At June 30, 2008, the Park's net assets approximated 81% of total assets of approximately \$28 million.

The Park's increase in net assets was approximately \$10.8 million for the year ended June 30, 2009 as compared to an increase of approximately \$9.8 million for the year ended June 30, 2008. In addition, the Park's cash used in operating activities was approximately \$3.9 million in 2009 as compared to cash used in operating activities of approximately \$2 million in 2008.

#### **2008 Highlights**

The Park's net assets represent approximately 81% of total assets of approximately \$28 million at June 30, 2008. At June 30, 2007, the Park's net assets approximated 70% of total assets of approximately \$18.4 million.

The Park's increase in net assets was approximately \$9.8 million for the year ended June 30, 2008 as compared to an increase of approximately \$3.9 million for the nine-months ended June 30, 2007. In addition, the Park's cash used in operating activities was approximately \$2 million in 2008 as compared to cash used in operating activities of approximately \$219,500 in 2007.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and other supplementary information.

The financial statements provide both long-term and short-term information about the Park's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplemental information that further explains and supports the information in the financial statements.

## NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

### Management's Discussion and Analysis, continued

June 30, 2009 and 2008

The Park's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Changes in Net Assets. All assets and liabilities associated with the operation of the Park are included in the Statements of Net Assets.

The Statements of Net Assets reports the Park's net assets. Net assets, the difference between the Park's assets and liabilities, are one way to measure the Park's financial health or position. The increase in the Park's net assets in 2009 over 2008 is an indicator of its positive financial health.

### FINANCIAL ANALYSIS OF THE PARK - 2009

#### **Net Assets**

The Park's total net assets at June 30, 2009 reached approximately \$34 million, a 48% increase over June 30, 2008 (See Table A-1). Total assets increased 35% to approximately \$38 million, and total liabilities decreased 22% to approximately \$4.1 million. The increase in net assets is mainly attributable to the purchase of property and equipment funded through donations and FEMA public assistance grants, along with state funding for operations.

<b>TABLE A-1</b>			
<b>NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION</b>			
Statements of Net Assets			
June 30, 2009 and 2008			
<b>Assets</b>	<b>2009</b>	<b>2008</b>	<b>Increase (Decrease)</b>
Current assets	\$ 8,964,977	\$ 6,903,382	\$ 2,061,595
Investments	733,152	708,360	24,792
Capital assets	27,899,201	20,340,562	7,558,639
<b>Total assets</b>	<b>\$ 37,597,330</b>	<b>\$ 27,952,304</b>	<b>\$ 9,645,026</b>
Current liabilities	2,718,453	4,553,142	(1,834,689)
Long-term Liabilities	1,354,713	689,325	665,388
<b>Total liabilities</b>	<b>4,073,166</b>	<b>5,242,467</b>	<b>(1,169,301)</b>
Net assets:			
Invested in capital assets, net	27,899,201	20,340,562	7,558,639
Restricted	929,788	1,635,725	(705,937)
Unrestricted	4,695,175	733,550	3,961,625
<b>Total net assets</b>	<b>33,524,164</b>	<b>22,709,837</b>	<b>10,814,327</b>
	<b>\$ 37,597,330</b>	<b>\$ 27,952,304</b>	<b>\$ 9,645,026</b>

## NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

### Management's Discussion and Analysis, continued

June 30, 2009 and 2008

Total current assets increased due primarily to the increase in the receivable from FEMA and the State of Louisiana at June 30, 2009 compared to June 30, 2008. Capital assets increased due to the acquisition of various fixed assets for amusements, stadiums, golf, and the general park. This increase was partially offset by the continued depreciation of the capital assets. Included in the federal receivable at June 30, 2009 and 2008 is approximately \$543,000 and \$267,000, respectively, which is for FEMA project worksheets that are obligated as of the report issuance date.

Total liabilities decreased due to the repayment of the past due insurance payable of \$2.4 million. This decrease was partially offset by the increase in the accrual for other postretirement benefits of \$665,000. Included in deferred revenue at June 30, 2009 and 2008, is \$27,000 and \$69,000, respectively, for FEMA public assistance grants that have been funded to the Park; however, the Park has not expended the funds.

Net assets grew by approximately \$10.8 million as explained in the following section. Net assets invested in capital assets reflect fixed assets, net of accumulated depreciation, net of debt balance for capital leases. Restricted assets reflect assets restricted by a donor and/or contractual agreements for specific purposes.

#### **Changes in Net Assets**

The change in net assets for the year ended June 30, 2009 was approximately an increase of \$10.8 million compared to an increase in net assets of approximately \$9.8 million for the year ended June 30, 2008. The Park's total operating revenues increased by 51% to approximately \$7.6 million, and total operating expenses increased by 42% to approximately \$11.7 million. The changes in net assets are detailed in Table A-2, operating expenses are detailed in Table A-3.

Operating revenues increased by 51% to approximately \$7.6 million. This was a result of increased activity within the Park due to new and renovated facilities within amusements, catering, and golf.

Operating expenses increased by 30% to approximately \$11.7 million. The increase in operating expenses is primarily the result of maintaining revenue generating facilities and new expenses associated with the opening of golf. In addition, with the implementation of GASB 45 in the year ended June 30, 2009, the Park recorded an expense of \$665,388 to record the net OPEB obligation as described in Note 8.

On September 1, 2008, Hurricane Gustav made landfall in Louisiana. The Park closed operations for approximately a week, which delayed the opening of the North Golf Course. The Park estimated approximately \$150,000 in revenue loss from the closure during Hurricane Gustav. Damage from the storm primarily was to the various trees within the Park. The total costs incurred due to tree damage was \$217,669.



## NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

### Management's Discussion and Analysis, continued

June 30, 2009 and 2008

On August 29, 2005, Hurricane Katrina hit the greater New Orleans area and the Mississippi Gulf Coast. Approximately 90% of the Park was under between one and eight feet of water. The Administration Building, Maintenance Building, Botanical Garden, three golf courses, equipment and vehicles, and approximately 2,000 trees were substantially destroyed by the impact of the storm. The Park is insured by the State Office of Risk Management and has received reimbursement for damaged Park vehicles.

Management evaluated the extent of the damage to the property and equipment and recorded the losses included in Hurricane Katrina expense line of \$254,070 in fiscal year 2009, and a credit of \$77,519 for fiscal year 2008.

Nonoperating income increased 25% to approximately \$7.5 million due to increased funding from federal and state sources and private contributions during the year ended June 30, 2009.

A substantial portion of the clean up and debris removal costs from hurricane have been fund by FEMA. Included in federal revenue in 2009 and 2008 is approximately \$3.4 million and \$6.1 million, respectively, relating to FEMA public assistance grants.

Capital contributions increased by 6% to \$7.4 million due to increased funding from federal and state sources during the year ended June 30, 2009.

# NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

## Management's Discussion and Analysis, continued

June 30, 2009 and 2008

<b>TABLE A-2</b> <b>NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION</b> <b>Statements of Changes in Net Assets</b> <b>For the year ended June 30, 2009 and 2008</b>			
	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
Operating Revenues:			
Golf operations	\$ 1,153,578	\$ 159,704	\$ 993,874
Amusements and other events	2,704,570	2,144,869	559,701
Casino, catering, and restaurant revenue	2,439,603	1,612,920	826,683
Horticulture, grounds and pavilion	687,302	729,983	(42,681)
Other	582,890	376,699	206,191
Total operating revenues	<u>7,567,943</u>	<u>5,024,175</u>	<u>2,543,768</u>
Operating expenses:			
Golf operations	1,057,439	70,928	986,511
General park	3,321,053	2,987,431	333,622
Casino, catering, and restaurant expense	2,028,468	1,319,950	708,518
Amusement and other events	1,068,727	776,634	292,093
Depreciation	1,621,684	1,159,272	462,412
Hurricanes Katrina/Gustav (gain) loss	471,739	(77,519)	549,258
Other postretirement benefit expense	665,388	689,325	(23,937)
Other	1,416,349	1,252,159	164,190
Total operating expenses	<u>11,650,847</u>	<u>8,178,180</u>	<u>3,472,667</u>
Operating loss	(4,082,904)	(3,154,005)	(928,899)
Nonoperating income	7,504,707	5,990,051	1,514,656
Capital contributions	7,392,524	6,958,857	433,667
Changes in net assets	10,814,327	9,794,903	1,019,424
Total net assets, beginning of the year	<u>22,709,837</u>	<u>12,914,934</u>	<u>9,794,903</u>
Total net assets, end of the year	<u>\$ 33,524,164</u>	<u>\$ 22,709,837</u>	<u>\$ 10,814,327</u>

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **Management's Discussion and Analysis, continued**

**June 30, 2009 and 2008**

<b>TABLE A-3</b>			
<b>NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION</b>			
<b>Schedule of Operating Expenses</b>			
<b>For the year ended June 30, 2009 and 2008</b>			
	<b>2009</b>	<b>2008</b>	<b>Increase (Decrease)</b>
Payroll	\$ 3,637,752	\$ 2,834,712	\$ 803,040
Cost of goods sold	899,501	580,890	318,611
Contract labor	191,570	111,378	80,192
Depreciation	1,621,684	1,159,272	462,412
Payroll benefits	507,475	405,420	102,055
Utilities	352,973	265,947	87,026
Repairs and maintenance	380,807	550,015	(169,208)
Insurance	252,274	517,298	(265,024)
Hurricane Katrina/Gustav	471,739	(77,519)	549,258
Other postretirement benefits expense	665,388	689,325	(23,937)
Other	2,669,684	1,141,442	1,528,242
<b>Total operating expenses</b>	<b>\$ 11,650,847</b>	<b>\$ 8,178,180</b>	<b>\$ 3,472,667</b>

### **FINANCIAL ANALYSIS OF THE PARK – 2008**

#### **Net Assets**

The Park's total net assets at June 30, 2008 reached approximately \$23 million, a 75% increase over June 30, 2007 (See Table A-4). Total assets increased 52% to approximately \$28 million, and total liabilities decreased 1% to approximately \$5.2 million. The increase in net assets is mainly attributable to the purchase of property and equipment funded through donations and FEMA public assistance grants, along with state funding for operations.

Total current assets increased due to the Park's continuance to reserve in LAMP investments. Capital assets increased due to the acquisition of various fixed assets, including amusements, stadium, and general park. This increase was partially offset by the continued depreciation of the capital assets.

Total liabilities decreased due to the Park fulfilling the agreement with Sugar Bowl for renovation on Tad Gormley stadium and the Park using restricted FEMA funds for Katrina related repairs. This decrease was partially offset by the accrual for other postretirement benefits of \$689,325.

# NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

## Management's Discussion and Analysis, continued

June 30, 2009 and 2008

Net assets grew by approximately \$9.8 million as explained in the following section. Net assets invested in capital assets reflect fixed assets, net of accumulated depreciation, net of debt balance for capital leases. Restricted assets reflect assets restricted by a donor and/or contractual agreements for specific purposes.

<b>TABLE A-4</b> <b>NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION</b> Statements of Net Assets June 30, 2008 and 2007			
<b>Assets</b>	<b>2008</b>	<b>2007</b>	<b>Increase (Decrease)</b>
Current assets	\$ 6,903,382	\$ 6,086,285	\$ 817,097
Investments	708,360	553,116	155,244
Capital assets	20,340,562	11,716,450	8,624,112
<b>Total assets</b>	<b>\$ 27,952,304</b>	<b>\$ 18,355,851</b>	<b>\$ 9,596,453</b>
Current liabilities	4,553,142	4,536,063	17,079
Insurance payable	689,325	904,854	(215,529)
<b>Total liabilities</b>	<b>5,242,467</b>	<b>5,440,917</b>	<b>(198,450)</b>
Net assets:			
Invested in capital assets, net	20,340,562	11,716,450	8,624,112
Restricted	1,635,725	969,625	666,100
Unrestricted	733,550	228,859	504,691
<b>Total net assets</b>	<b>22,709,837</b>	<b>12,914,934</b>	<b>9,794,903</b>
	<b>\$ 27,952,304</b>	<b>\$ 18,355,851</b>	<b>\$ 9,596,453</b>

### **Changes in Net Assets**

The change in net assets for the year ended June 30, 2008 was approximately a \$9.8 million increase as compared to an increase in net assets of approximately \$3.9 million for the nine months ended June 30, 2007. The Park's total operating revenues increased by 62% to approximately \$5 million, and total operating expenses increased 84% to approximately \$8.2 million. The changes in net assets are detailed in Table A-5; operating expenses are detailed in Table A-6.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**Management's Discussion and Analysis, continued**

**June 30, 2009 and 2008**

<b>TABLE A-5</b> <b>NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION</b> <b>Statements of Changes in Net Assets</b> <b>For the year ended June 30, 2008 and the nine months ended 2007</b>			
	<b>2008</b>	<b>2007</b>	<b>Increase (Decrease)</b>
Operating Revenues:			
Golf operations	\$ 159,704	\$ 150,947	\$ 8,757
Amusements and other events	2,144,869	997,259	1,147,610
Casino, catering, and restaurant revenue	1,612,920	1,139,747	473,173
Horticulture, grounds and pavilion	729,983	473,506	256,477
Other	376,699	334,307	42,392
Total operating revenues	<u>5,024,175</u>	<u>3,095,766</u>	<u>1,928,409</u>
Operating expenses:			
Golf operations	70,928	42,900	28,028
General park	2,987,431	1,507,356	1,480,075
Casino, catering, and restaurant expense	1,319,950	856,652	463,298
Amusement and other events	776,634	448,026	328,608
Depreciation	1,159,272	770,239	389,033
Hurricane Katrina loss	(77,519)	189,275	(266,794)
Other postretirement benefit expense	689,325	-	689,325
Other	1,252,159	690,647	561,512
Total operating expenses	<u>8,178,180</u>	<u>4,505,095</u>	<u>3,673,085</u>
Operating loss	<u>(3,154,005)</u>	<u>(1,409,329)</u>	<u>(1,744,676)</u>
Nonoperating income	5,810,544	2,672,856	3,137,688
Capital contributions	<u>7,138,364</u>	<u>2,668,594</u>	<u>4,469,770</u>
Changes in net assets	9,794,903	3,932,121	5,862,782
Total net assets, beginning of the year	<u>12,914,934</u>	<u>8,982,813</u>	<u>3,932,121</u>
Total net assets, end of the year	<u>\$ 22,709,837</u>	<u>\$ 12,914,934</u>	<u>\$ 9,794,903</u>

Operating revenues increased by 62% to approximately \$5 million. This was a result of increased activity within the Park due to new and renovated facilities within amusements, catering, and the Botanical Gardens.

Operating expenses increased by 82% to approximately \$8.2 million. The increase in operating expenses is primarily the result of maintaining revenue generating facilities. With the increase of revenue, the Park was afforded the opportunity to maintain facilities at a higher standard since Hurricane Katrina. More employees were hired to work at the new and renovated facilities within amusements, catering and the Botanical Gardens. In addition, with the implementation of GASB 45 in the year ended June 30, 2008, the Park recorded an expense of \$689,325 to record the net OPEB obligation as described in Note 8.

## NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

### Management's Discussion and Analysis, continued

June 30, 2009 and 2008

Nonoperating income decreased 117% to approximately \$5.8 million due to increased funding from federal and state sources and private contributions during the year ended June 30, 2008.

Capital contributions increased by 167% to \$7.1 million due to increased state capital contributions for the construction and refurbishment of Park facilities.

<b>TABLE A-6</b>			
<b>NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION</b>			
Schedule of Operating Expenses			
For the year ended June 30, 2008 and the nine months ended June 30, 2007			
	<b>2008</b>	<b>2007</b>	<b>Increase (Decrease)</b>
Payroll	\$ 2,834,712	\$ 1,494,432	\$ 1,340,280
Cost of goods sold	580,890	378,832	202,058
Contract labor	111,378	282,450	(171,072)
Depreciation	1,159,272	770,239	389,033
Payroll benefits	405,420	235,599	169,821
Utilities	265,947	163,694	102,253
Repairs and maintenance	550,015	91,510	458,505
Insurance	517,298	342,679	174,619
Hurricane Katrina	(77,519)	189,275	(266,794)
Other postretirement benefits	689,325	-	689,325
Other	1,141,442	556,385	585,057
Total operating expenses	<u>\$ 8,178,180</u>	<u>\$ 4,505,095</u>	<u>\$ 3,673,085</u>

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **2009 Capital Assets**

As of June 30, 2009, the Park's investment in capital assets approximated \$27.9 million, net of accumulated depreciation. This investment consists principally of buildings and related improvements, ground improvements, and equipment. At June 30, 2009, the Park has construction in progress of approximately \$7.3 million relating to projects throughout the Park including \$530,000 for the Great Lawn, \$660,000 for a reforestation project, \$609,000 for artificial turf at Tad Gormley stadium, \$240,000 for the Big Lake project, and \$550,000 for various other projects.

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **Management's Discussion and Analysis, continued**

**June 30, 2009 and 2008**

#### **2008 Capital Assets**

As of June 30, 2008, the Park's investment in capital assets approximated \$20.3 million, net of accumulated depreciation. This investment consists principally of buildings and related improvements, ground improvements, and equipment. During the year ended September 30, 2005, the Park suffered significant damage to property and equipment as a result of Hurricane Katrina. Management evaluated the impact of Hurricane Katrina on the property and equipment records and recorded a write off of assets with cost of \$10 million and accumulated depreciation of \$5.4 million at September 30, 2005. At June 30, 2008, the Park has construction in progress of approximately \$9.4 million relating to projects throughout the Park including approximately \$2.2 million for Tad Gormley Stadium, \$1.7 million for Pan American Stadium, \$1.4 million for amusement facilities, \$816,000 for golf facilities, \$2.6 million for building repairs, and \$700,000 for various other projects.

#### **Debt Administration**

At June 30, 2008, the Park had a payable due to the State of Louisiana (the State) related to the State's insurance premiums in the amount of \$2,417,000. The Park is required to participate in the State's insurance program for general liability and related coverage. At June 30, 2009, this liability was paid in full.

Additional detailed information relating to capital assets and debt is presented in the financial statements and related notes 3 and 5.

#### **ECONOMIC FACTORS AND OUTLOOK**

The Park continues to rebuild and restore its facilities following Hurricane Katrina. Due to the hurricane, 90% of the staff was laid off and virtually all operations were closed. During 2007 and 2006, several facilities have reopened, including the Botanical Garden (through a grant from the Azby Fund), Tad Gormley Stadium, driving range, Storyland, and the amusement park. As of June 30, 2009 approximately 90% of the Park's facilities have opened. The Park has also hosted several events including the annual Celebration in the Oaks, Voodoo Festival, Battle of the Bands, and various run/walk events. The State of Louisiana has assisted the Park with operating funds of \$3.5 million for fiscal year 2009-2010 and the Park has requested additional funding from the State for fiscal year 2010-2011.

#### **CONTACTING THE PARK'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our patrons and other interested parties with a general overview of the Park's finances and to demonstrate the Park's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the New Orleans City Park Improvement Association at (504) 482-4888.

# NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

## Statements of Net Assets

June 30, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash (notes 2):		
Unrestricted	\$ 122,676	\$ 599,120
Restricted	169,380	900,914
Total cash and cash equivalents (note 2)	292,056	1,500,034
Investments substantially restricted (note 2)	27,256	26,451
Investments with Louisiana Asset Management Pool (note 2)	2,964,299	4,527,495
Receivables (less allowance for doubtful accounts):		
Friends of City Park	331,776	66
Federal grant receivable	543,472	266,735
State of Louisiana	4,446,076	374,970
Other	249,301	150,566
Inventories	93,013	39,815
Prepaid expenses and other assets	17,728	17,250
Total current assets	8,964,977	6,903,382
Investments held at the Greater New Orleans Foundation (note 2)	733,152	708,360
Capital assets, net (note 3)	27,899,201	20,340,562
	<u>\$ 37,597,330</u>	<u>\$ 27,952,304</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable - trade	\$ 1,015,692	\$ 437,770
Other liabilities	539,780	464,326
Accrued salaries	163,658	117,009
Deferred income (note 4)	768,942	929,420
Current portion of insurance payable (note 5)	-	2,417,195
Accrued vacation leave	230,381	187,422
Total current liabilities	2,718,453	4,553,142
Long-term Liabilities		
Other postretirement benefits	1,354,713	689,325
Total liabilities	4,073,166	5,242,467
Net assets:		
Invested in capital assets	27,899,201	20,340,562
Restricted	929,788	1,635,725
Unrestricted	4,695,175	733,550
Total net assets	33,524,164	22,709,837
	<u>\$ 37,597,330</u>	<u>\$ 27,952,304</u>

See accompanying notes to financial statements.



**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**Statements of Changes in Net Assets**

**June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Amusements, concerts and other events	\$ 2,704,570	\$ 2,144,869
Casino, catering, and restaurant revenue	2,439,603	1,612,920
Golf operations	1,153,578	159,704
Horticulture, grounds and pavilion	687,302	729,983
Stadium rentals and concessions	462,956	267,449
Tennis fees and shop sales	119,934	109,250
Total operating revenues	<u>7,567,943</u>	<u>5,024,175</u>
Operating expenses:		
Amusements and other events	1,068,727	776,634
Casino, catering, and restaurant expense	2,028,468	1,319,950
Depreciation	1,621,684	1,159,272
General park	3,321,053	2,987,431
Golf operations	1,057,439	70,928
Horticulture and grounds	803,972	760,695
Stadium	487,816	365,159
Tennis	124,561	126,305
Hurricane Katrina loss (gain)	254,070	(77,519)
Hurricane Gustav loss	217,669	-
Postretirement benefits expense	665,388	689,325
Total operating expenses	<u>11,650,847</u>	<u>8,178,180</u>
Net operating loss	<u>(4,082,904)</u>	<u>(3,154,005)</u>
Non-operating income (expense):		
Donations	285,060	543,889
Interest income	74,630	195,824
Federal grant revenue	835,570	2,253,294
State revenue	6,306,051	2,797,544
Lease revenue	109,640	108,560
Royalties revenue	-	41,649
Other	<u>(106,244)</u>	<u>49,291</u>
Total non-operating income	<u>7,504,707</u>	<u>5,990,051</u>
Changes in net assets before capital contributions	3,421,803	2,836,046
Capital contributions	<u>7,392,524</u>	<u>6,958,857</u>
Changes in net assets after capital contributions	10,814,327	9,794,903
Net assets at beginning of year	<u>22,709,837</u>	<u>12,914,934</u>
Net assets at end of year	<u>\$ 33,524,164</u>	<u>\$ 22,709,837</u>

See accompanying notes to financial statements.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**Statements of Cash Flows**

**June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from user fees and other park activities	\$ 7,416,052	\$ 4,135,523
Cash payments to suppliers for goods and services	(7,933,300)	(3,614,045)
Cash payments to employees for services	(3,390,684)	(2,538,129)
Net cash used in operating activities	<u>(3,907,932)</u>	<u>(2,016,651)</u>
Cash flows from noncapital and related financing activities:		
Cash received from State of Louisiana	3,256,859	1,986,401
Cash received from Federal revenue	558,833	2,291,608
Cash received from donations	285,060	543,889
Cash received from lease revenue	109,640	108,560
Net cash provided by noncapital financing activities	<u>4,210,392</u>	<u>4,930,458</u>
Cash flows from capital and related financing activities:		
Contributed by others for capital improvements	6,609,762	7,473,080
Acquisition and construction of capital assets	(9,180,323)	(9,783,384)
Net cash used in capital and related financing activities	<u>(2,570,561)</u>	<u>(2,310,304)</u>
Cash flows from investing activities:		
Interest received on investments	74,630	195,824
Increase in investments	(24,792)	(155,244)
Royalties and other revenue	(552,106)	527,113
Net cash provided by (used in) investing activities	<u>(502,268)</u>	<u>567,693</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,770,369)</u>	<u>1,171,196</u>
Cash and cash equivalents at beginning of the year	<u>6,053,980</u>	<u>4,882,784</u>
Cash and cash equivalents at end of the year	<u>\$ 3,283,611</u>	<u>\$ 6,053,980</u>
Reconciliation of cash and cash equivalents:		
Cash	\$ 292,056	\$ 1,500,034
Investments substantially restricted	27,256	26,451
Investments with Louisiana Asset Management Pool	2,964,299	4,527,495
	<u>\$ 3,283,611</u>	<u>\$ 6,053,980</u>
Reconciliation of net operating loss to net cash provided by operating activities are as follows:		
Operating loss	\$ (4,082,904)	\$ (3,154,005)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Change in allowance for bad debts	-	(22,597)
Depreciation	1,621,684	1,159,272
(Increase) decrease in receivables	(223,735)	203,228
Increase in inventories	(53,198)	(2,599)
Increase in prepaid expenses and other assets	(478)	(1,500)
Increase (decrease) in trade payables and insurance payable	(1,839,273)	544,868
Increase in accrued liabilities and other liabilities	830,450	229,055
Decrease in deferred income	(160,478)	(972,373)
Net cash used in operating activities	<u>\$ (3,907,932)</u>	<u>\$ (2,016,651)</u>

See accompanying notes to financial statements.

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **(1) Summary of Significant Accounting Policies**

The State of Louisiana legislature passed Act 84 of 1870 which established a public park in the City of New Orleans (the City) and created the New Orleans Park Board of Commissioners. By Act 87 of 1877, the Board was abolished and the powers and duties were transferred to the City Council of New Orleans.

In 1896, Act 84 of 1870 was repealed and Act 130 gave recognition to an organization called the "New Orleans City Park Improvement Association" (the Park), an agency of the State, which was to manage and supervise the City's park.

Act 865 of 1982 transferred the Park to the State Department of Culture, Recreation and Tourism. The Park shall be used for park, educational and cultural purposes.

##### **(a) *Reporting Entity***

For financial reporting purposes and in accordance with Governmental Accounting Standards Board's definition of a reporting entity, the Park has only one fund, an enterprise fund, which accounts for all assets, liabilities and operations of the Park, and, as such, is considered a primary government.

Of the 36 authorized Board members, 13 are appointed by various governmental units and nonprofit organizations. The remaining board members serve limited staggered terms and are appointed by the current Board members of the Park. The Park's Board members have decision-making authority over the activities of the Park including: the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Park has no special financial relationships with any other governmental unit and is responsible for its own debt and surpluses and deficits.

##### **(b) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting policies of the Park conform to accounting principles generally accepted in the United States of America as applicable to governments. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Park has no governmental or fiduciary funds. The Park uses fund accounting to report its financial position and results of operations. The Park's accounts are organized into a single proprietary fund.

The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **(1) Summary of Significant Accounting Policies (continued)**

The Park's principal operating revenues are the fees received for services. The Park applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

##### **(c) *Investments***

Investments are stated at fair value based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. Louisiana Revised Statutes authorize the Park to invest in bonds, treasury notes, certificates or other obligations of the United States, or time certificates of deposit in state banks organized under Louisiana laws and national banks having principal offices in the State.

##### **(d) *Inventories***

Inventories, consisting primarily of gift shop, concession, and catering supplies, are valued at cost, which approximates market, using the weighted average method.

##### **(e) *Fixed Assets***

Fixed assets are stated at cost. Contributed assets are recorded at fair market value at the time received. Depreciation is provided using the straight-line method over the estimated useful lives.

##### **(f) *Vacation Leave***

The Park permits employees a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from Park service.

##### **(g) *Net Assets***

Designations of Net Assets represent those portions which are not available for operations but have been designated by the Board. Designations include stadium improvements, tennis improvements, and other various projects.

##### **(h) *Cash Flows***

For purposes of the statement of cash flows, only cash certificates on hand and on deposit and investments having an initial term of three months or less are included in cash and cash equivalents.

##### **(i) *Allowance for Doubtful Accounts***

The allowance for doubtful accounts is based on prior years experience and management's analysis of possible bad debts. Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. No allowance for doubtful accounts was recorded at June 30, 2009 and 2008.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**(1) Summary of Significant Accounting Policies (continued)**

**(i) *Deferred Income***

Deferred income represents resources the Park has received, but not yet earned, such as federal grant funds received prior to the incurrence of qualifying expenditures, cash deposits received as prepayments from customers on catering events and birthday parties, or prepaid rental revenue.

**(2) Cash, Cash Equivalents, and Investments**

The following are the components of the Park's cash, cash equivalents and investments at June 30, 2009 and 2008:

	<b>2009</b>	<b>2008</b>
Current:		
Cash in banks	\$ 292,056	\$ 1,500,034
Certificates of deposit	27,256	26,451
Investments with Louisiana Asset Management Pool	2,964,299	4,527,495
Long-term:		
Investments held at Greater New Orleans Foundation	733,152	708,360
	<u>\$ 4,016,763</u>	<u>\$ 6,762,340</u>

Restricted cash and investments as of June 30, 2009 and 2008 are as follows:

	<b>Restricted Cash</b>	<b>Restricted Investments</b>	<b>Total</b>
2009:			
Ribet Fund	\$ -	\$ 27,256	\$ 27,256
Greater New Orleans Foundation	-	733,152	733,152
Capital funds received from private donors	169,380	-	169,380
	<u>\$ 169,380</u>	<u>\$ 760,408</u>	<u>\$ 929,788</u>
2008:			
Ribet Fund	\$ -	\$ 26,451	\$ 26,451
Greater New Orleans Foundation	-	708,360	708,360
Capital funds received from private donors	900,914	-	900,914
	<u>\$ 900,914</u>	<u>\$ 734,811</u>	<u>\$ 1,635,725</u>

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Park's cash and certificates of deposit be covered by federal depository insurance or collateral. The bank balances of cash and certificates of deposit, as reflected by the banks' records totaled \$560,825 and \$1,554,524 at June 30, 2009 and 2008, respectively. The Park's bank balances and certificates of deposits at year-end were covered by federal depository insurance or by collateral held by the Park's custodial bank in the Park's name.

## NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS

#### (2) Cash, Cash Equivalents, and Investments (continued)

Investments - Statutes authorize the Park to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poors Corporation or P-1 by Moody's Commercial Paper Record, repurchase agreements, and the Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The Park's investment is with the pool, not the securities that make up the pool; therefore, no public disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statements.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pools is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**(2) Cash, Cash Equivalents, and Investments (continued)**

As of June 30, 2009 and 2008, the Park had investments totaling \$733,152 and \$708,360, respectively, in the Greater New Orleans Foundation (GNOF). GNOF investments are held in a donor investment pool which is not categorized under GASB Codification Section 150.164 because investments are not evidenced by securities that exist in physical or book entry form. Investments in GNOF are administered by the Greater New Orleans Foundation, a 501(c)(3) public charity. The primary objective of GNOF is to provide a safe environment for the placement of donor funds in high quality investments. To achieve these objectives, GNOF's investment portfolio consists of three diversified investment portfolios: the money market portfolio, the fixed income portfolio and the equity portfolio.

**(3) Capital Assets**

The capital assets of the Park as of June 30, 2009 and 2008 are as follows:

Description	2008	Additions	Deletions	2009	Estimated useful life (years)
Land	\$ 1,262,164	\$ 1,799,980	\$ -	\$ 3,062,144	
Buildings	8,903,531	7,477,832	-	16,381,363	10-30
Fixed equipment	5,599,877	1,180,949	66,021	6,714,805	5-20
Moveable equipment	1,622,308	857,347	-	2,479,655	3-20
Construction in progress	9,412,177	8,098,161	10,195,637	7,314,701	
	26,800,057	19,414,269	10,261,658	35,952,668	
Less accumulated depreciation	(6,459,495)	(1,621,684)	(27,712)	(8,053,467)	
Capital assets, net	<u>\$20,340,562</u>	<u>\$17,792,585</u>	<u>\$10,233,946</u>	<u>\$27,899,201</u>	

Construction in progress of \$7,314,701 and \$9,412,177 as of June 30, 2009 and 2008, respectively, consists primarily of purchase and installation of the point of sale system throughout the Park, and the Great Lawn, Reforestation, Big Lake, and Dog Park projects.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**(3) Capital Assets (continued)**

The capital assets of the Park as of June 30, 2008 and 2007 are as follows:

<u>Description</u>	<u>2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>2008</u>	<u>Estimated useful life (years)</u>
Land	\$ 957,200	\$ 304,964	\$ -	\$ 1,262,164	
Buildings	8,539,064	364,467	-	8,903,531	10-30
Fixed equipment	4,947,282	652,595	-	5,599,877	5-20
Moveable equipment	784,819	846,911	9,422	1,622,308	3-20
Construction in progress	1,795,246	12,260,082	4,643,151	9,412,177	
	17,023,611	14,429,019	4,652,573	26,800,057	
Less accumulated depreciation	(5,307,161)	(1,159,272)	(6,938)	(6,459,495)	
Capital assets, net	<u>\$11,716,450</u>	<u>\$13,269,747</u>	<u>\$ 4,645,635</u>	<u>\$20,340,562</u>	

**(4) Deferred Income**

Deferred income consists of the following at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Event deferral	\$ 238,042	\$ 300,819
Federal funds (FEMA)	27,561	69,140
Restricted contributions	436,839	428,781
Prepaid rent	66,500	130,680
	<u>\$ 768,942</u>	<u>\$ 929,420</u>

**(5) Commitments**

At June 30, 2008, the Park had an insurance liability of approximately \$2.4 million, consisting of \$1.9 million in past due and \$515,000 for current year insurance. During 2001, the Park restructured the terms of its \$1,477,763 insurance payable to the State of Louisiana Office of Risk Management, making 120 monthly payments in the amount of \$12,065 effective January 2002. Due to Hurricane Katrina, the Park was unable to honor this agreement. During the 2008 Louisiana State Legislative session, Act 513 appropriated \$1.3 million to be transferred to the Park to pay a portion of this debt. This appropriation was received July 30, 2008, leaving a balance of approximately \$1.1 million which was covered by the operating appropriation given to the Park by the State of Louisiana for the 2008 – 2009 fiscal year. This balance was paid in full as of June 30, 2009.



## NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION

### NOTES TO FINANCIAL STATEMENTS

#### **(6) Operating Leases**

The Park leases certain facilities to various lessees under renewable operating lease agreements. These facilities include the cellular tower, the stables, and land to Christian Brothers School. Minimum future lease receipts as of June 30, 2009, are as follows:

2010	\$ 59,941
2011	112,512
2012	100,353
2013	101,383
2014	66,000
Thereafter	528,000

During the year ended September 30, 2006, the Park extended the lease with Christian Brothers School on similar terms as the exiting lease through 2020. Included in deferred income at June 30, 2009 is \$66,500 which represents the rental payments from Christian Brothers School for the year ended 2010.

#### **(7) Employee Benefit Plans - Deferred Compensation Plan**

The Park offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all regular full and part-time Park employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employee or their beneficiary until termination, retirement, death, or an unforeseeable emergency.

The plan is administered by the State of Louisiana (the State). Participants' rights under the plan are equal to those of the general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. The Park contributed \$72,627 and \$64,331 to the deferred compensation plan in 2009 and 2008, respectively.

#### **(8) Other Postemployment Benefits (OPEB)**

##### ***Plan Description***

Employees of the Park voluntarily participate in the State of Louisiana's health and life insurance plan. The Office of Group Benefits (OGB) provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is an agent multiple-employer defined benefit OPEB plan. Louisiana Revised Statute (R.S.) 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in the Louisiana Comprehensive Annual Financial Report (CAFR).

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **(8) Other Postemployment Benefits (OPEB) (continued)**

##### ***Funding Policy***

The contribution requirements of plan members and the Park are established and may be amended by R.S. 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. OGB offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) plan, the Exclusive Provider Organization (EPO) plan, and the Health maintenance Organization (HMO) plan. Retired employees who have Medicare part A and Part B coverage also have access to two OGB Medicare Advantage plans – one HMO plan and one private fee-for-service (PFFS) plan, offered by two companies. Depending upon the plan selected, during fiscal years 2009 and 2008, employee premiums for a single member receiving benefits ranged from \$35 to \$100 and \$34 to \$92 per month, respectively, for retiree-only coverage with Medicare or from \$130 to \$195 and \$126 to \$170 per month, respectively, for retiree-only coverage without Medicare.

The plan is currently financed on a pay-as-you-go basis, with the Park contributing \$115 to \$250 and \$114 to \$246 per month for retiree and spouse coverage for fiscal years 2009 and 2008, respectively.

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment (AD&D) coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with AD&D coverage ceasing at age 70 for retirees.

##### ***Annual Other Postemployment Benefit Cost and Liability***

The Park's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was being implemented for the year ended June 30, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30-year percentage of projected payroll amortization method with a closed amortization period has been used.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**(8) Other Postemployment Benefits (OPEB) (continued)**

The total ARC for fiscal years 2009 and 2008 is as set forth below:

	<b>2009</b>	<b>2008</b>
Normal cost	\$ 370,300	\$ 407,900
30-year UAL amortization amount	324,200	301,900
Annual required contribution	<u>\$ 694,500</u>	<u>\$ 709,800</u>

The following schedule presents the Park OPEB obligation at June 30, 2009 and 2008:

	<b>2009</b>	<b>2008</b>
Beginning net OPEB obligation	<u>\$ 689,325</u>	<u>\$ -</u>
Annual required contribution	694,500	709,800
Interest on net OPEB obligation	27,573	-
ARC adjustment	<u>(39,864)</u>	<u>-</u>
OPEB cost	682,209	709,800
Contributions made (retiree premiums)	<u>(16,821)</u>	<u>(20,475)</u>
Change in OPEB obligation	<u>665,388</u>	<u>689,325</u>
Ending net OPEB obligation	<u>\$ 1,354,713</u>	<u>\$ 689,325</u>

Using the pay-as-you-go method, the Park contributed 2.5% and 2.9% of the annual post-employment benefits cost during fiscal years 2009 and 2008, respectively.

***Funded Status and Funding Progress***

During fiscal years 2009 and 2008, neither the Park nor the State of Louisiana made contributions to its postemployment benefits plan trust. During fiscal years 2009 and 2008, the plan did not establish or fund a trust. Since the plan was not established or funded, the Park's entire actuarial accrued liability of \$7,784,900 and \$7,186,700 was unfunded at June 30, 2009 and 2008, respectively.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**(8) Other Postemployment Benefits (OPEB) (continued)**

The funded status of the plan, as determined by an actuary as of July 1, 2009 and 2008, is as follows:

	<u>2009</u>	<u>2008</u>
Actuarial accrued liability (AAL)	\$ 7,784,900	\$ 7,186,700
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,784,900</u>	<u>\$ 7,186,700</u>
Funded Ratio (actuarial value of plan net assets / AAL)	0%	0%
Covered payroll	\$ 1,371,500	\$ 2,797,469
UAAL as a percentage of covered payroll	568%	257%

***Actuarial Methods and Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the State of Louisiana's CAFR, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008 and 2007, OGB actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The state's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009 and 2008, is 29 and 28 years, respectively.

## **NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **(9) Management Agreements**

On November 22, 2002, the Park entered into a management agreement with Kemper Sports Management, Inc. (KSM). As part of the management agreement KSM provides certain procurement functions to and for the benefit of the Park, including solicitation of proposals for certain operations, management and maintenance responsibilities in regard to the facilities and related golf services under the supervision of the Chief Executive Officer and Board of Commissioners of the Park. The agreement term is from January 1, 2003 to December 31, 2007, unless terminated according to the cancellation provisions of the agreement. The agreement may be renewed for two additional years by mutual written agreement of the parties.

Due to Hurricane Katrina, KSM and the Park mutually agreed to cancel the contract. Due to this cancellation, a balance of approximately \$167,000 remained payable to KSM at June 30, 2009. The Park is currently in negotiations with KSM to resolve this balance.

On June 11, 2008, the Park entered into a management agreement with Billy Casper Golf (BCG). As part of the management agreement, BCG provides certain procurement functions to and for the benefit of the Park, including solicitation of proposals for certain operations, management and maintenance responsibilities in regard to the facilities and related golf services under the supervision of the Chief Executive Officer and Board of Commissioners of the Park. The agreement term is from July 1, 2008 to December 31, 2010, unless terminated according to the cancellation provisions of the agreement.

#### **(10) Federal Grants**

The Park received federal grants in previous years that are subject to federal examination that may result in a liability.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION****Schedules of Operating Expenses****June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Administrative	\$ 324,427	\$ 172,113
Advertising	48,530	35,943
Bad Debts	560	(21,997)
Communications	40	4,884
Contract labor	191,570	111,378
Contract services	574,299	337,415
Cost of goods sold	899,501	580,890
Depreciation	1,621,684	1,159,272
Fuel	56,066	53,351
Golf operations	1,057,439	-
Hurricane Katrina	254,070	(77,519)
Hurricane Gustav	217,669	-
Insurance	252,274	517,298
Master Plan	2,940	46,563
Other	124,244	40,951
Other postretirement benefits expense	665,388	689,325
Payroll	3,637,752	2,834,712
Payroll benefits	507,475	405,420
Rentals	59,213	57,310
Repairs and maintenance	380,807	550,015
Special events	47,254	21,065
Supplies	306,100	343,117
Telephone	54,148	37,674
Uniforms	14,424	13,053
Utilities	352,973	265,947
Operating expenses	<u>\$ 11,650,847</u>	<u>\$ 8,178,180</u>

See accompanying independent auditors' report.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION****Schedule of Funding Progress for Louisiana's State OPEB Plan****For the years ended June 30, 2009 and 2008**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2008	\$ -	\$ 7,784,900	\$ 7,784,900	0.0%	\$ 1,371,500	567.6%
7/1/2007	\$ -	\$ 7,186,700	\$ 7,186,700	0.0%	\$ 2,797,469	256.9%

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**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**SINGLE AUDIT REPORT**

**JUNE 30, 2009**

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**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Commissioners  
New Orleans City Park Improvement Association

We have audited the financial statements of the New Orleans City Park Improvement Association (the Park) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Park's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Park's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Park, the Park's management; federal, state and city awarding agencies; and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Robert H. Harte*

New Orleans, Louisiana  
December 14, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Commissioners  
New Orleans City Park Improvement Association

Compliance

We have audited the compliance of the New Orleans City Park Improvement Association (the Park) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Park's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Park's management. Our responsibility is to express an opinion on the Park's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Park's compliance with those requirements.

In our opinion, the Park complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Park is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Park's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Park's internal control over compliance.

A control deficiency in the Park's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Park's internal control. We noted no matters involving control deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Park's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Park as of and for the year ended June 30, 2009, and have issued our report thereon dated December 14, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information of the Park, the Park's management; federal, state and city awarding agencies; and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



New Orleans, Louisiana  
December 14, 2009

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**Schedule of Expenditures of Federal Awards**

**June 30, 2009**

<b>Federal Grantor/Program Title</b>	<b><u>CFDA Number</u></b>	<b><u>Federal Expenditures</u></b>
<b><u>U.S. Department of Homeland Security:</u></b>		
Louisiana Office of Homeland Security and Emergency Preparedness Disaster Grants		
-- Public Assistance (Pass-through award)	97.036	\$ 835,570
Total Federal Expenditures		\$ 835,570

See accompanying notes to Schedule of Expenditures of Federal Awards.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**Notes to Schedule of Expenditures of Federal Awards**

**June 30, 2009**

**(1) General**

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of the New Orleans City Park Improvement Association. The Park's reporting entity is defined in note 1 to the financial statements for the year ended June 30, 2009. All Federal financial awards have been included on the Schedule.

**(2) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Park's financial statements for the year ended June 30, 2009.

**(3) Relationship to Financial Statements**

Federal awards are included in the financial statements as federal grant revenue on the Statements of Changes in Net Assets.

**NEW ORLEANS CITY PARK IMPROVEMENT ASSOCIATION**

**Schedule of Findings and Questioned Costs**

**June 30, 2009**

(1) Financial Statements

(a) The type of auditor's report issued: unqualified opinion

(b) Internal control over financial reporting:

Material weakness identified: no

Significant deficiency identified not considered to be material weaknesses: no

Noncompliance material to financial statements noted: no

(2) Federal Awards

(a) Internal control over major programs:

Material weakness identified: no

Significant deficiency identified not considered to be material weaknesses: no

(b) Type of auditor's report issued on compliance for major programs: unqualified opinion

(c) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a): no

(d) Identification of major programs:

- Department of Homeland Security – CFDA No. 97.036 – Public Assistance Grants

(e) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

(f) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes

(3) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*: none

(4) Findings and Questioned Costs relating to Federal Awards: none